



STATE OF UTAH

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PURCHASING UPDATE

DIVISION OF PURCHASING'S NEW FIVE-YEAR CONTRACT POLICY

By: Christopher Hughes

In the past, the Division of Purchasing allowed and accepted renewal options to be part of an executive branch procurement unit's contract. A procurement unit, that included renewal options as part of the solicitation and contract, could amend the contract to extend the life of the contract. If a procurement unit decided not to exercise its renewal options the contract would expire. This practice of allowing renewal options allowed executive branch procurement units to decide on an annual basis whether the procurement unit wanted to amend and renew the contract or allow for the term of the contract to expire.

However, this practice resulted in the Division of Purchasing processing a significant amount of amendments for renewal options each year which resulted in many issues, including amendments being sent to the Division of Purchasing after the expiration of the contract and unnecessary administrative costs to the agency/state purchasing to issue an amendment. With the new Utah Procurement Code in place and new administrative rules being prepared, the Division of Purchasing will no longer accept new contracts that are shorter than five years and allow for renewal periods, unless the procurement unit complies with the requirements outlined in Utah Administrative Code R33-12-404(2). Two of these new rules, which establish the Division of Purchasing's new policy of five year contracts with no renewal options, are provided below:

R33-12-404. Multi-Year Contracts.

Procurement units may issue multi-year contracts in accordance with Section 63G-6a-1204.

The standard contract term for executive branch procurement units is five years, unless the chief procurement officer or head of a procurement unit with independent procurement authority determines that a shorter or longer term contract is in the best interest of the procurement unit after considering:

The cost associated with conducting more than one procurement within a five-year period if a shorter term is required;

The impact on competition if a longer term is required;

Standard practices for the industry; and

The needs of the procurement unit.

R33-12-404.1. Contracts With Renewal Options

In order to ensure fair and open competition in the procurement process and to avoid costs associated with administering contracts with renewal options, executive branch procurement units shall document in writing why renewal options are in the best interest of the procurement unit taking into consideration:

Federal funding requirements;

The cost associated with administering renewal options;

How the cost of the procurement item will be established during any renewal periods; and

How the principle of upholding fair and open competition will be maintained.

With these new administrative rules and the Division of Purchasing's policy in mind, please plan ahead and allow sufficient time for your procurement needs to be procured through the Division of Purchasing. It is also important to remember that contracts that include the State's Standard Terms and Conditions allow an agency to terminate a contract at any time by giving the proper notice and time described in the State's Standard Terms and Conditions. As such, an executive branch procurement unit may elect to terminate a contract early rather than wait for the five-year term of the contract to expire.

Additionally, an executive branch procurement unit has the ability to amend a contract during the five-year period to include additional funds, update the contract, etc. The Division of Purchasing anticipates that this policy will allow for costs saving for the State and better prices for your contracts.

If you have any questions please do not hesitate to contact the Division of Purchasing.

NASPO PUBLIC PROCUREMENT

SEMINAR—DECEMBER 8, 2014

By: Tara Eutsler

The Division of Purchasing is pleased to announce the *NASPO PUBLIC PROCUREMENT SEMINAR*. The seminar will be held Monday, December 8 from 9 AM—4 PM. This conference is hosted by the National Association of State Purchasing Officials (NASPO) and the State of Utah, Division of Purchasing.

This seminar includes lunch for those who attend the full-day session. There is no cost to attendees for the seminar or the lunch.

Five presentations will be given at this seminar: *Writing Stellar Specifications*; *Managing, Monitoring & Oversight of Contracts*; *The Ins & Outs of Terms & Conditions*; *All About Insurance in Procurements*; and *Contract Development & Processing*.

Margaret McConnell will be our main guest presenter for this seminar. Maggie has a rich background in public procurement and served as the State Procurement Administrator for the State of Arizona for several years. Currently, Maggie works for the Maricopa Community College Legal Services Department where she specializes in construction and contract law.

Maggie is an active member of the Public Contract Law Section of the American Bar Association and received its Distinguished Service Award. She also received *NASPO's* Giulio Mazzone Distinguished Service Award.

Writing Stellar Specifications will be presented by Maggie McConnell. Subtopics will include: commodity and services

specification writing; what to include in your specifications; and writing specs that delineate what the vendor will provide.

Managing, Monitoring and Oversight of Contracts will be presented by Maggie McConnell. Subtopics include: Top 10 rules for managing a contract; tools for managing the top 10 contract rules; red flags—what to watch for; performance rating—how do I do it?

The Ins and outs of Terms and Conditions will be team taught by Maggie McConnell and Christopher Hughes, Legal Analyst with the Division of Purchasing. Subtopics include: Why these terms and conditions; when can we negotiate?; and requirements when terms & conditions are negotiated.

All About Insurance in Procurement will be presented by our guest, Bruce Garner, the Assistant Attorney General for Risk Management. Subtopics include: understanding types of insurance; how to read and understand a Certificate of Insurance; request notification of cancellation; Are these levels of coverage mandatory?; and Is there a process for allowing an exception?

Contract Development & Processing will be presented by Tara Eutsler, Legal Analyst with the Division of Purchasing. Subtopics include: verifying insurance coverage prior to award; assembling documents; vendor & agency signatures; and routing through State Purchasing.

The next page contains a printable flier about the seminar. Click on the flier to register or Ctrl-click [here](#).



STATE OF UTAH

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**We're on
the Web !**
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This newsletter was
edited by Ann Schliep. If
you have any questions
or comments, please
email them to
aschliep@utah.gov



NOTE: This training qualifies as “instructor-led” procurement training for the CPPB & CPPO certification

DID YOU KNOW?: STATE OF UTAH HAS A BEST VALUE COOPERATIVE CONTRACT FOR ELECTRONIC SURPLUS

By: Ann Schliep

The State of Utah has a Best Value Cooperative Contract for Electronic Surplus (MA2029) with Metech Recycling. Metech will provide removal and recycling of electronic surplus.

Metech Recycling has expanded its Salt Lake City, UT facility to provide IT Asset Management (ITAM) services. Utilizing Metech controlled secure trucks to provide on-site pickup in Utah under lock and key, Metech ITAM services group personnel scan all materials by serial number for tracking throughout the process, sort, test and refurbish all incoming materials based on ever-changing technical and market driven guidelines to determine resale viability. Items selected are identified and placed in a locked secure section of the Salt Lake City plant.

Metech Recycling Salt Lake City facility is a secure 70,000 square foot facility. The core business of Metech

recycling is the transport, disassembly, and recycling of obsolete electronic equipment. Transportation is accomplished through a coordinated use of company vehicles to ensure all concerns of data security are addressed. Processing includes the manual disassembly of items into their constituent commodities of circuit board, metals, plastic, and wire for shipment of materials to recyclers that recycle the materials into raw materials. All export activities conform to the Basel Convention. Metech recycling complies with all federal hazardous waste rules including those pertaining to CRT handling export restrictions commonly referred to as The CRT Rule.

Metech Recycling has the capacity to collect, triage, destroy data, functionally test, refurbish, and resale marketable used electronics.

If you have any questions, contact Ann Schliep at aschliep@utah.gov or 801-538-3421.

NEW STATE OF UTAH “BEST VALUE” COOPERATIVE CONTRACTS

TITLE	CONTRACT	VENDOR	DATES	ADDITIONAL INFORMATION
BMW Police Motorcycles	MA2169	LZ DELTA, LLC (GO AZ Motorcycles)	10/31/2014-10/30/2019	Multiple Award
BMW Police Motorcycles	MA2170	IMG Motorrad LLC (BMW Motorcycles of Utah)	10/31/2014-10/30/2019	Multiple Award
Architectural Walls	MA2165	Henriksen/Butler Design Group	10/20/2014-10/19/2019	Multiple Award
Modular Walls	MA2166	Krueger International, Inc. (KI)	10/20/2014-10/19/2019	Multiple Award
Architectural Walls/Modular Walls	MA2167	Teknion LLC	10/20/2014-10/19/2019	Multiple Award
State Sensitive Document Printing & Copying Services	PD1883	Xerox Corporation	10/15/2014-10/14/2019	New Contract/ Same Vendor

*The brief information in this newsletter is intended to highlight new contracts and contract changes. Always read the entire contract information sheet prior to making a purchasing decision.

NEW STATE OF UTAH “BEST VALUE” COOPERATIVE CONTRACTS

TITLE	CONTRACT	VENDOR	DATES	ADDITIONAL INFORMATION
Inmate Telephone Services	PD2178	Centurylink Public Communications, LLC	11/01/2014-10/31/2019	
Technician Labor & Repair Services for Telecommunications & Data Processing Cable Facilities	AR1416	Americom Technology	11/10/2014-11/09/2019	
Discounted Air Fares	PA2158	Southwest Airlines	10/22/2014-01/31/2015	

EXTENDED STATE OF UTAH “BEST VALUE” COOPERATIVE CONTRACTS

Fresh Produce	PD314	Nicholas and Company	10/31/2017	
Communications—Radio Equipment (WSCA)	AR1810	RELM (King)	03/31/2015	
Communications—Mobile Radios (WSCA)	AR1811	Daniels Electronics Ltd.	03/31/2015	
Radios, Aircraft Band, Aviation Radios (WSCA)	AR1824	Icom America, Inc.	03/31/2015	
Dental Equipment and Supplies	PD911	Dental Health Products, Inc.	11/30/2014	
American Sign Language Interpretation Services	MA1070	Interwest Interpreting Inc.	12/31/2014	
Security Guards, Statewide Coverage	MA186	CBI	10/01/2017	

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EXTENDED STATE OF UTAH “BEST VALUE” COOPERATIVE CONTRACTS

TITLE	CONTRACT	VENDOR	DATES	ADDITIONAL INFORMATION
Gateway Devices for Radios, Telephones or Satcom Etc.	AR1782	Raytheon/JPS	03/31/2015	
Communications—Radio Equipment (WSCA)	AR1795	Vertex Standard	03/31/2015	

EXPIRED OR CANCELED STATE OF UTAH “BEST VALUE” COOPERATIVE CONTRACTS

Data Communications Equipment & Associated OEM Maintenance & Training	AR1466	ALCATEL-LUCENT	8/31/2014	Will not be renewed.
Snow & Ice Melter, 94% Salt, 6% Enhancing Ingredients	MA982	Streamline Supply Inc.	10/23/2014	Will not be renewed.
BMW Motorcycle	PD045	IMG Motorrad LLC	10/30/2014	Will not be renewed.
Short Term Disability Insurance	PD830	Fred A. Moreton & Co/ Standard Insurance Co	11/01/2014	Will not be renewed.
Telco Channel Bank Equipment	PD1118	Walker & Associates, Inc.	07/26/2014	Will not be renewed.
Model 2014 Police Motorcycles	PD1765	Harley-Davidson of Salt Lake City	10/30/2014	Will not be renewed.
Office Moving Service—Local and Intrastate	MA1807	Bailey's Moving & Storage	10/31/2014	Will not be renewed.
Online Surplus Property Auction Services	MA421	GovDeals, Inc.	11/11/2014	Will not be renewed.

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